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C O N F I D E N T I A L SANAA 000106

SIPDIS

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SUBJECT: ADEN PORT: YEMEN MISSES ANOTHER OPPORTUNITY

Classified By: DCM Nabeel Khoury for reasons 1.4 (b. and d.)

[11](#). (SBU) In a briefing to donors on January 10, Deputy Prime Minister and Minister of Planning and International Cooperation Ahmed Sofan announced that Prime Minister Ba Jammal "in the interest of promoting the widest competition" rejected the Rotterdam Management Group's (RMG) recommendation to short-list three companies (believed to be Maersk, Hutchison-Whampoa and Dubai Ports International) and let all nine companies compete for the Aden Port Tender. Sofan touched on concerns raised by the USG and World Bank regarding the integrity of the process, but assured donors that "high international" standards would be met.

[12](#). (SBU) Sofan said that RMG produced two lists of short-listed companies a group of three and a group of six. Ba Jammal chose to override the RMG decision and placed the due date for the 9 bids on February 16. In a nod to credibility concerns, Sofan offered to open up the process to international monitoring.

[13](#). (C) Deputy Foreign Minister Mustafa Noman indicated to Pol/Econ Deputy on January 8 that a "compromise" would likely occur allowing the existing operator OPM (with heavy Yemeni interests) to stay in the running. Noman also noted concerns in Sanaa over the viability of the Dubai International Port offer, saying that many believe the offer to be from "investors in Dubai," but not the same company as Dubai Ports International. (Note: This is not the case.) Former Parliamentarian Saad Talib confirmed on January 10 that OPM does have ties to PM Ba Jammal and reiterated long-standing concerns over OPM's viability.

[14](#). (C) Comment: While there is still a chance that Yemen will award the tender to Dubai Ports International, Maersk or Hutchison-Whampoa, the fact that rumors are spreading about Dubai, and that Ba Jammal is making his case on "fairness," leads post to suspect the deal will go to the existing operator OPM. We will continue to advocate at the highest levels and coordinate with the donor community to ensure that international standards are maintained. Sofan's announcement came the same week Ba Jammal characterized himself as a "crusader against corruption." Given the rejection of the short-list, and the lack of the credibility in Ba Jammal's promises, the government's commitment to bring in international investors is yet again in question.

KRAJESKI